(b) The Government have taken a number of steps for revival of sick industrial units in the Country. Some of the important steps are given in Annexed, statement.

Statement

Steps taken by Government for revival of sick industrial units

The Government have enacted a comprehensive legislation namely "The Sick Industrial Companies (Special Provisions) Act, 1985". A quasi-judicial body designated as "The Board for Industrial and Financial Reconstruction (BIFR)" has been set up under the Act to deal with the problems of the sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(2) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(3) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for revival of sick units.

(4) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitatioin of potentially viable sick units without reference to RBI both in the large and small scale sector.

(5) Revival of sick industrial units is also done by amalgamation/merger of sick units with healthy units. Tax benefits are given under Section 72A of the Income Tax act, 1961 to the healthy company for revival of the amalgamating sick unit.

(6) Government has set up the National Renewal Fund which would, *inter-alia*, provide for payment of compensation to workers effected by industrial re-structuring.

Magnitude of industrial sickness

3176. SHRI AHMED MOHAMED BHAI PATEL: Will the PRIME MINISTER be pleased to state:

(a) what is the magnitude of industrial sickness both in public and private sector;

(b) the details of the reasons for growing sickness; and

(c) the details of in-built mechanism adopted by industries to keep industries economically viable?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) Reserve Bank of India compiles data regarding sick industrial units assisted by the banks in the country. According to Reserve Bank of India, the number of sick industrial units in the Non-SSI sector as on 30th September, 1992 (latest available) in the public and private sector is as follows:

	No. of Units	Amount Outstanding (Rs. in crores)
Public Sector	95	837.59
Private Sector	1391	5524.29

(b) The major causes for industrial sickness as reported by banks relate to marketing, technical, labour and production problems; management deficiencies, power shortage, demand recession and natural claamities.

(c) Arrest of industrial sickness at the incipient stage has been recognised as the key to keep industries economically viable. A potentially sick industrial unit in terms of the Sick Industrial Companies (Special Provisions) Act, 1985, is required to report the facts to the Board for Industrial and Financial Reconstruction (BIFR) which would determine its viability. The Reserve Bank of India has also issued guidelines to the banks and financial institutions for strengthening the monitoring systems and arresting industrial sickness at the incipient stage. As soon as a unit is identified as weak or sick the banks/financial institutions have to jointly carry out viability studies with a package of reliefs and concessions and if found viable,

a rehabilitation package has to be finalised and implemented. Viable units under nursing are closely monitored.

Royalty paid to Suzuki by Maruti Udyog Limited

3177. SHRI RAMDAS AGARWAL:
SHRI SATISH AGARWAL:
Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to the news-item published in the 'Hindustan Times' dated 4th August, 1994, captioned MUL to sort out royalty issue soon for making payment of Royalty to Suzuki of Japan for Maruti 800 and Omni which had lapsed in November, 1992 while that of the Gypsy had lapsed last December;

(b) whether the members of the Board of the Maruti Udyog Ltd. have agreed to this payment and clearance has been given by the Secretariat of Industrial Approvals (SIA) and if so, when;

(c) what were the reasons for stopping such payment earlier and justification now for starting the payment of Royalty by MUL to Suzuki knowingly that this will lead to a substantial out flow of cash; and

(d) whether Government of India's policy allows companies to pay their partners a royalty for the technology they bring in and if so, the details of such companies that are paying and also of those companies not paying?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) Yes, Sir.

(b) The matter regarding payment of royalty to Suzuki Motor Corporation (SMC), Japan for Maruti 800, Omni and Gypsy is presently under consideration of the Board of Maruti Udyog Limited (MUL).

(c) Royalty payments for these three models had ceased as a consequence of the expiry of the licence agreement signed between Maruti Udyog Limited (MUL) and Suzuki Motor Corporation (SMC).

(d) The policy of the Government allows payment of royalty for technology transfer under foreign technology agreements.

Purchase Preference Policy

3178. SHRI SATYA PRAKASH MALAVIYA: Will the PRIME MINISTER be pleased to state:

(a) whether the Purchase Preference Policy vide Government O.M.No. DPE/ 13(19)/91-Fin. dated 13th January, 1992 is extended to public enterprises in competition with private enterprises;

(b) if not, whether the Purchase Preference Policy can be extended to a particular public enterprise against another public enterprise on selective basis; and

(c) under what Government direction/O.M./ guideline, the same is being done?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) to (c) The Purchase Preference Policy of Government announced vide O.M.No. DPE/13(19)/91-Fin. dated 13.01-92 allows Purchase Preference to Central Government Enterprises while dealing with other Central Government enterprises and with the Central Government. The O.M. was issued with due approval of Government.

Meeting of Chief Executives of PSUs

3179. SHRI GHUFRAN AZAM: Will the PRIME MINISTER be pleased to state:

(a) whether it is fact that the Commerce, Labour and other Union Ministers had addressed the meeting of Chief Executives of public sector undertakings in New Delhi on 30th July, 1994 and impressed upon the Chief Executives to carry on the motto of preserving public sectors for proper development of the country;